The Neiman Marcus Group, Inc.

Approver: LJE

New Requests:

Team has taken numerous legal requests and reduced it to the below which satisfy specific customer concerns. Elissa Huff has reviewed and provided the below anguage after conference with customer attorney.

1. In the second paragraph of the "Ownership and Restrictions" section, in the fourth bullet point, where we state that you may not assign this agreement... add the following language immediately after the parenthetical: *"except as otherwise specifically provided in this agreement or in an ordering document referencing this agreement"*.

We are adding standard assignment language which this references.

2. In the first sentence of the third paragraph of the "Warranties, Disclaimers and Exclusive Remedies" section describing the exclusive remedy, insert the following parenthetical immediately after the words "PAID TO ORACLE": "(BY YOU DIRECTLY OR BY YOU INDIRECTLY THROUGH AN OFD AGREEMENT)".

Customer has concern that they are not actually paying Oracle directly, and want this clearly stated.

3. In the first bullet point of the first paragraph of the "Indemnification" section, add the following parenthetical after the word "law":

notify the General Counsel, Legal Department promptly in writing, not later than 30 days after you receive notice of the claim, or sooner if required by applicable law; (*"provided, however, that your failure to notify us within such thirty (30) day period shall not relieve us of our indemnification obligations hereunder so long as such failure to notify us has not materially prejudiced our ability to defend a claim or action"*).

4. Add the following parenthetical to the end of the first sentence of the second paragraph of the "Indemnification Section"

...Oracle may end the license for the applicable program and refund any license fees and any unused, prepaid support fees you have paid for it "*(or which have been paid indirectly by you through an OFD agreement)*"

5. Add the following parenthetical to the end of the second sentence of the second paragraph of the "Indemnification" section:

Oracle will not indemnify you...if the infringement claim could have been avoided by using an unaltered version of the program. *"(such updated, current version having been received by you at no additional cost in connection with your payment for continued receipt of Update Subscription Service)."*

6. Delete the second sentence of the "Limitation of Liability" paragraph and replace it with the following:

"EXCEPT WITH REGARD TO YOUR BREACH OF ORACLE'S INTELLECTUAL PROPERTY RIGHTS OR WITH REGARD TO YOUR BREACH OF THE PAYMENT TERMS HEREIN, EITHER PARTY'S MAXIMUM LIABILITY FOR ANY DAMAGES UNDER THIS AGREEMENT AND YOUR ORDER, WHETHER IN CONTRACT OR TORT, SHALL BE LIMITED TO THE FEES PAID ORACLE (BY YOU DIRECTLY OR BY YOU INDIRECTLY THROUGH AN OFD AGREEMENT) FOR THE RELEVANT PROGRAM, TECHNICAL SUPPORT OR OTHER SERVICE UNDER THIS AGREEMENT AS SPECIFIED IN YOUR ORDER."

7. Delete first paragraph of the "General" section, and replace it with the following: "This agreement is governed by the substantive and procedural laws of the State of California."

Customer wants to delete all references to jurisdiction, venue, counties, etc and keep it simple. Per Elissa, it is ok for Oracle to remain silent on above.

Previous Request:

A. Selling More than 1 year of Support (14 mos.)

Justification:
A. This request replaces the previous request, see "C" below. Customer wants Support renewal cycle to coincide with their fiscal/budget year. Customer is willing to prepay support through 7/31/03. Support agreement will then be paid annually from Aug to July thereafter.

Previous Request:

1. Discount (60%) with 9iAS at store
2. 2 year Price Hold at 55% for products on order plus HR, Financial Intell, Warehouse Mgmt, PDX, Call Center.
3. Support/Update fees: for Financials (read only and full use), Database, 9iAS, Tutor. 15% (udate fee) for remaining applications. Customer can upgrade by paying additional 7% at the final deal discount rate.
4. Flat line support 5 years
5. Term OLSA 3 years

Deal Summary:

Deal Summary	
Product Mix:	11i Fins, Purch, Proj, iP, iSup, iSource, Tutor, 9iEE,9iAS
License Discount	60%
Support Discount	60%
Support Options/Holds	22% for Financials (read only and full use), Database, 9iAS, Tutor. 15% (udate fee) for remaining applications.Customer can upgrade by paying additional 7% at the final deal discount rate.
Price Holds	2 years
List License	3,846,000
List Support	846,120
Net License	1,538,400
Net Support	265,004
Net Price	1,803,404
Price List Used	11-Jan-2002

Justification for A,B,D & E

This transaction is the culmination of a 10-month sales cycle with competitive threats from IBM (Informix), Microsoft and PeopleSoft. Early on Oracle committed to a deep discount and go-forward price hold in order to establish Oracle as a preferred vendor to win Financials, HR and to displace Informix/IBM for the database. The discount request was also part of our strategy to eliminate PeopleSoft and continue evaluating only Oracle

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for the Financials. We still have significantly more business for FY2003 (HR, DB, CRM). In addition, we want to build the perception that Oracle is easy to do business with.

Justification for C

Customer's implementation schedule includes implementing only Oracle Financials in first year. Customer will implement Purchasing, Projects, iSourcing, iSupplier and iProcurement in years 2 & 3 and therefore does not feel paying support prior to beginning the implementation is justified.

Justification for F

Oracle agreed to this definition for an existing OLA dated Feb 2001. Customer would like to keep it in this agreement.

Recommendation:

Submitted By: Roger Turnham 972-501-3718

(For HQAPP Use only)
R:
C:
L:
A:
BP:

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